

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1034-06
Bill No.: Truly Agreed To and Finally Passed SCS for HCS for HB 426
Subject: Business and Commerce; Energy; Utilities; Agriculture Dept.
Type: Original
Date: June 1, 2007

Bill Summary: Creates the Missouri Propane Safety Act.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Propane Inspection Fund	\$0	\$0	\$0
Total Estimated Net Effect on <u>Other</u> State Funds*	\$0	\$0	\$0

Net of Revenues and Expenditures

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Total Estimated Net Effect on FTE	0	0	0

☐ Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

☐ Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Secretary of State's Office** assume many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The Secretary of State's office is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact for this fiscal note to Secretary of State's office for Administrative Rules is less than \$2,500. The Secretary of State's office recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, we also recognize that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what our office can sustain with our core budget. Therefore, we reserve the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the governor.

Officials from the **Department of Agriculture (AGR)** assume this proposal creates the Missouri Propane Safety Commission within the Department of Agriculture. The legislation imposes an assessment fee on propane to fund the commission. The initial assessment fee of one-tenth of one cent per gallon is expected to generate approximately \$300,000 of additional state revenue. In addition, the commission is authorized to set fees for permits, licensees, and certificates. Although there is no way to determine the levels that the commission will set for these items, or the expenditure levels the commission will decide are necessary to implement the program, we anticipate that the additional fee revenue will not exceed \$150,000, which would bring total annual fee revenue to no more than \$450,000.

The **Department of Natural Resources** assume this proposal would be known as the Missouri Propane Safety Act. It would establish a nine-member Missouri Propane Gas Authority with the Department of Agriculture to ensure the administration and enforcement of chapter 323 and related rules and regulations regarding the safety of liquefied petroleum gases.

Members of the Authority would be appointed by the Governor and approved by the Senate. One member is to be a full time employee of the Department of Natural Resources. Commissioners would receive no compensation for their duties but would be reimbursed from the funds of the authority for actual and necessary expenses incurred in the performance of official duties.

Therefore, the department would not anticipate any significant direct fiscal impact from this proposal.

<u>FISCAL IMPACT - State Government</u>	FY 2008 (10 Mo.)	FY 2009	FY 2010
PROPANE INSPECTION FUND			
<u>Revenue</u> - Department of Agriculture Propane Assessment Fee	\$450,000	\$450,000	\$450,000
<u>Cost</u> - Propane Inspection Fund	<u>(\$450,000)</u>	<u>(\$450,000)</u>	<u>(\$450,000)</u>
ESTIMATED NET EFFECT ON PROPANE INSPECTION FUND	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2008 (10 Mo.)	FY 2009	FY 2010
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

FISCAL DESCRIPTION

The proposed legislation creates the Missouri Propane Safety Act.

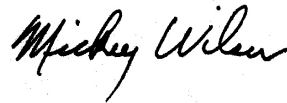
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Agriculture
Secretary of State's Office
Department of Natural Resources

NOT RESPONDING

Department of Economic Development
Public Service Commission

A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive, flowing style.

Mickey Wilson, CPA
Director
June 1, 2007